



NEW MEXICO FINANCE AUTHORITY

NEW MEXICO COLONIAS INFRASTRUCTURE FUND BOARD

c/o NEW MEXICO FINANCE AUTHORITY

207 Shelby Street

Santa Fe, NM 87501

MEMORANDUM

TO: Members of the NMFA Legislative Oversight Committee
FROM: Rick Martinez, Director of Business Development
DATE: August 27, 2013
SUBJECT: Report on the Colonias Infrastructure Fund 2013 Funding Cycle

Background Summary:

On June 13, 2013 the Colonias Infrastructure Fund Board (CIF) approved a final list of projects to be recommended to the New Mexico Finance Authority for funding from the 2013 project funding cycle. By law the CIF is charged with determining each year projects to be funded from the Colonias Infrastructure Fund. The six month process began in January 2013 with a competitive application and evaluations of applications by a seven-agency technical team using criteria established by the CIF Board.

This year the CIF had \$16,640,011 available for awards. The funds are derived from an amount totaling 5% of the senior lien bond proceeds of the state's severance tax bond capacity. Thirty-seven (37) projects are recommended for funding. Five additional projects were funded from USDA and HUD/CDBG funds for a total of \$24,997,908

Below is the 2013 project award funding breakdown:

The NMFA allotment of Senior Severance Tax Bonds (5%) was \$16,640,011

The USDA amount of available funds for the projects was \$7,365,000

The Department of Finance through their CDBG-HUD Program was \$992,897



In March 2013 the NMFA received 59 applications totaling approximately \$47,800,000 in requested funding. Pursuant to established practices and policies, the applications were reviewed for eligible colonia, eligible entity applying on behalf of the colonia, and eligible project type. The legal Team is tasked with ensuring that the applicants and projects are eligible per the statutory limits of the Colonias Infrastructure Act.

Of the 59 applications, it was deemed that one application was not eligible:

- Chamberino MDWC & SA (ineligible project type {Admin Bldg.}).

By law, the final terms of the loan and grants are determined by the NMFA Board of Directors working under the rules and policies adopted by the Colonias Infrastructure Fund Board. On July 26, 2013 the New Mexico Finance Authority Board of Directors gave final approval of the project recommendations made by the Colonias Infrastructure Board.

EO 2013-006

On May 02, 2013 Governor Martinez issued Executive Order 2013-006 which establishes uniform criteria, grant management and oversight requirements for grants of state capital outlay appropriations made by state agencies to other entities. On May 31, 2013, the Department of Finance and Administration granted an exemption for the CIF 2013 Funding Cycle allowing the CIF to certify to the State Board of Finance the need for bonds prior to certifying that a particular project meets the EO's uniform funding criteria. The NMFA has set a deadline date of October 01, 2013 for applicants to comply with all the readiness to proceed requirements including compliance with the EO. We will work with entities that are unable to meet the terms of the EO by seeking an alternative fiscal agent where possible. If an entity cannot meet the terms of the EO the board will have the funding re-directed to unfunded 2013 projects, in the order they originally are prioritized, that meet the terms of the EO and are compliant with other state regulations and CIF policies.